



Rule Up For Discussion and Possible Filing

Proposed Amendment

WAC 230-40-610

Player-supported jackpots—Restrictions—Manner of conducting—Approval.

ITEM 11 (a) on the April 14, 2006, Commission Meeting Agenda.

Statutory Authority 9.46.070 &
9.46.0282

Who proposed the rule change?

Cory Thompson, card room employee.

Proposed Change

The proposed rule change would prohibit on-duty card room employees from contributing to player-supported jackpots, which they are not eligible to win.

History of Rule

During the 1996 Legislative Session, player-supported jackpots (PSJ) were authorized for poker games. A PSJ is a separate contest of chance directly related to the play and/or outcome of authorized poker games, but which is not the card game itself. The licensee uses the PSJ prize as a marketing tool to encourage or increase poker play. The licensee removes (rakes) up to two dollars per hand from the winner's pot for deposit into the PSJ prize fund.

Currently, owners, custodians, and on-duty card room employees may participate in card games that offer a PSJ but may not share in the PSJ winnings. This prohibition has been in existence since PSJ's were authorized. Any PSJ winnings an owner or on-duty card room employee may be entitled to under game rules must be divided equally among the other players at the table. Off-duty card room employees may participate in card games that offer a PSJ and may share in the PSJ winnings.

Card rooms often require card room employees to play in poker games while on-duty in order to keep games going when there are not enough players.

Impact of the Proposed Change

This change would impact all card rooms that offer PSJ prizes. All on-duty card room employees would be exempt from contributing to the PSJ prize funds.

The Petitioner states that employees, at times, are required by licensees to play while on-duty and to contribute (up to two dollars per hand) to PSJ prizes they are ineligible to win. The Petitioner feels that if on-duty card room employees are not eligible to win the PSJ prize, they should not be forced to contribute to the PSJ prize fund.

The house rakes up to two dollars from the poker pot, not from each individual player, and deposits it into the PSJ prize account.

Under the rake method of collecting fees there is currently no process to separate the PSJ fees collected from the on-duty dealer from the fees collected from other poker players. The exact amount contributed by each player varies based on the number of players at the table. For example, if there are ten players at the table and two dollars is raked from the pot, each player has contributed 1/10th of the fees collected, or twenty cents each. Requiring employers to track each transaction in order to refund the on-duty employee's correct portion would be cumbersome to monitor and record.

Regulatory Concerns
<p>The Petitioner requests that the PSJ rake be returned to on-duty employees or that they be eligible to win a PSJ. On the surface the Petitioner's request may seem fair and simple. However, it is more complicated than it first appears:</p> <ol style="list-style-type: none"> 1) The on-duty card room employee does not contribute the entire amount of the PSJ rake. The amount raked from the pot for the PSJ prize, up to \$2 per pot, is a small part of the total pot and the on-duty card room employee's portion is a small fraction of the PSJ funds collected. 2) The Petitioner has not identified a way to track and account for an on-duty card room employee's share of the PSJ rake and staff is not aware of an efficient and cost effective way to do this. 3) WAC 230-40-610 (6) was written to protect the integrity of card games and allow players to win PSJs. 4) This may be more of an employer/employee decision, rather than a regulatory issue.
Resource Impacts
<p>Staff currently monitors compliance of card room activity including the fees collected for playing the game and the PSJ funds.</p> <p>New rules with recordkeeping requirements would need to be created to monitor PSJ funds returned to on-duty employees.</p> <p>It would take significant staff time to monitor for compliance.</p>
Policy Consideration
None.
Stakeholder Statements Supporting the Proposed Rule Change
None.
Stakeholder Statements Opposing the Proposed Rule Change
None.
Licensees Directly Impacted By the Change
Card rooms that offer PSJ poker games and card room employees.
Staff Recommendation
Deny the petition.